

| | | |
|---|---|--------|
| DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION | FOOD SUPPLEMENT PROGRAM MANUAL | |
| UTILITY ALLOWANCES | Section 214 | Page 1 |

214.1 Eligibility for Utility Allowances

A. Households may be eligible for one of the two utility allowances:

1. Standard Utility Allowance (SUA) –

(a) Except for recipients of the Maryland Energy Assistance Program (MEAP), only households that are **billed for heating or cooling** separately from their rent or mortgage are eligible for the SUA. Cooling by central or room air conditioners confers eligibility for the SUA. The use of fans does not qualify the household for the SUA. The following households are eligible for the SUA:

- (i) Renters who are billed on a monthly basis by their landlords for actual usage through individual metering,
- (ii) Households living in private housing who are charged a flat rate,
- (iii) Households, including those living in public housing that are billed for excess usage of heating or cooling costs,
- (iv) Multiple households sharing utility expenses for heating and cooling, or
- (v) Households that can verify they pay the utility bills that are in someone else's name.

(b) Recipients of MEAP are eligible for the SUA regardless of whether the heat and/or cooling cost are separate from the rent.

- (i) If a household reports receipt of a MEAP benefit in the past heating season, and it expects to receive it again in the next heating season, the household is eligible for the SUA.
- (ii) Since Maryland's SUA is an annual one, the household's receipt or expectation of receiving MEAP entitles it to the SUA for the entire year.
- (iii) If the landlord reduces the rent to reflect receipt of the MEAP payment, allow the reduced amount for the rental cost. This is because the reduced amount for rent is now the billed rent.

EXAMPLE 1: The Baltimore Gas and Electric Company bills the Smiths for gas each month. The gas is used to heat the Smith's home. They pay the bill directly to the utility company. The household is entitled to the SUA.

EXAMPLE 2: The Baltimore Gas and Electric Company bills the Smiths directly for electric use only. The electric is used to operate the central air conditioner in warm weather. The Smiths are eligible for the SUA.

| | | |
|---|-----------------------------------|--------|
| DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION | FOOD SUPPLEMENT PROGRAM MANUAL | |
| UTILITY ALLOWANCES | Section 214 | Page 2 |

214.1 Eligibility for Utility Allowances (continued)

Example 3: Mary Johnson pays \$100 per month for her rent and an additional \$50 per month (**flat amount**) for the utilities **including heat** and air conditioning for her apartment. She pays the money to her landlord. Mary is **entitled to the SUA**.

Example 4: Marsha Jones and Sue Smith live together and share the expenses. Ms. Jones pays the gas bill and Ms. Smith pays the other utilities, which include heat and air conditioning. **Both have applied for Food Supplement Program (FSP) benefits separately and are entitled to the full SUA. (It is their choice how they share or divide the utility costs.)**

Example 5: Mr. Johns and Mr. Jeffers live in the same apartment complex as Ms. Smith and Ms. Jones but they divide all the expenses in half. **Both are entitled to the full SUA.**

Example 6: Ms. A applied for FSP benefits on February 28. Her rent includes heat. She reported receipt of a MEAP payment in January for this heating season. She is entitled to the SUA for the entire year.

Example 7: Ms. B applied for FSP benefits on January 5. Her heat is included in the rent. She reported that last year she had received MEAP to help with heat in her house and she plans to apply again this year. The case manager anticipates that she will receive MEAP for the new heating season and allows the SUA.

2. Limited Utility Allowance (LUA)

Households that incur an **expense for more than one utility that does not include heating or cooling costs** are eligible for the LUA.

(a) These utilities include but are not limited to:

- (i) Electric
- (ii) Water
- (iii) Gas (natural or propane)
- (iv) Telephone

(b) House holds eligible for the Limited Utility Allowance (LUA) include households that:

- (i) Share the utility expense for more than one utility that does not include heating or cooling. **Each** household is entitled to the full LUA.

| | | |
|---|-----------------------------------|--------|
| DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION | FOOD SUPPLEMENT PROGRAM MANUAL | |
| UTILITY ALLOWANCES | Section 214 | Page 3 |

214.1 Eligibility for Utility Allowances (continued)

- (ii) Are billed for excess usage of utilities that do not include heating, cooling or telephone costs, including those households in public housing.
- (iii) Can verify they pay utility bills that are in someone else's name.
- (iv) Pay a flat rate for any two or more utilities not including heat or cooling.

Example 4: The Potomac Electric Power Company bills the Robinsons for electricity each month. The electricity is used for the lights and cooking only; Verizon bills the household for their telephone each month. The Robinsons pay the bills directly to the utility companies. The household is entitled to the LUA.

Example 5: John Smith **pays** his landlord **\$50 per month rent and \$25 per month (flat rate)** for the **electric and water**. The heat is included in his rent. Mr. Smith is **eligible for the LUA**. (He pays two utilities.)

- B. Households are eligible for the utility allowance throughout all months of the year.
- C. Utility costs included in the standard are listed in Section 212.9 (Excess Shelter Deduction) of this manual with the exception that billing for heat and air conditioning are not included in the Limited Utility Allowance (LUA).
- D. The receipt of indirect (vendor) energy assistance payments from non-federal funds, such as the Electric Universal Service Program (EUSP), will not affect eligibility for the SUA if the household incurs out-of-pocket expenses over and above its prorated indirect energy assistance in any month. Compute the prorated amount by dividing the indirect energy assistance received by five (the number of months in the heating season in Maryland, November 1 through March 31).
- E. If the energy assistance is authorized by federal law and administered by the Maryland Energy Assistance Program (MEAP), there is no requirement to prorate the MEAP assistance and determine out-of-pocket costs. The full amount of the MEAP payment is deemed to be out-of-pocket for the determination of eligibility for the SUA.
- F. The exception to Section 214.1(A-E) as stated above is that the use of supplemental heating equipment such as gas, electric, kerosene or wood heaters or stoves **does not** qualify the household for the Standard Utility Allowance (SUA) if the cost of the principal heating source (e.g. an oil furnace) is included in the rent or mortgage.

| | | |
|---|---|--------|
| DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION | FOOD SUPPLEMENT PROGRAM MANUAL | |
| UTILITY ALLOWANCES | Section 214 | Page 4 |

214.2 Shared Utility Costs

- A. Households that share a residence and heating or cooling costs with other individuals or households are entitled to the full SUA or LUA. **Do not prorate** the utility allowance between individuals in a household who contribute to meeting a utility cost.

EXAMPLE: A two-person FSP benefit household shares a residence with another individual. Each of the two FSP benefit household members contributes separately toward meeting the utility costs. The individual they live with also contributes toward meeting the utility costs. The FSP household is entitled to the full utility allowance.

- B. The shared expense situation differs from the normal tenant/landlord relationship where the landlord usually provides the heat from a central furnace and the cost of the heat is recouped as part of the rent.
- C. The SUA and LUA are not prorated when the utility expenses are shared between ineligible and eligible household members. The FSP household is entitled to the entire utility allowance.
- D. The household may pay its portion of the utility expense directly to the utility company, to the landlord, or to the household with which it resides.
- E. When two or more households live in separate housing units (such as apartments, trailers, houses, etc.) and share one utility meter, each household gets the appropriate allowance.

214.3 Telephone Allowance

- A. The telephone allowance is a flat rate (see section 600.3) for those households that incur a telephone cost. This includes a cell phone.
- B. Give the household the full allowance regardless of the amount paid on the bill or if the bill is shared among several households.
- C. **Do not give** the telephone allowance **if the household is eligible for a utility allowance.** If a household has a telephone expense and any other utility expense, the household is eligible for the LUA and not the telephone allowance.

| | | |
|---|---|--------|
| DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION | FOOD SUPPLEMENT PROGRAM MANUAL | |
| UTILITY ALLOWANCES | Section 214 | Page 5 |

214.4 Actual Utility Costs

- A. Households that are billed for **only one utility expense that does not include heating or cooling and who do not have an expense for a telephone** are entitled to use the actual cost of the one utility. (Households having a telephone expense would be eligible for the LUA if they have a second utility or the flat telephone allowance amount.)

Note: The rules were changed effective October 1, 2003 so that households could no longer claim actual utility expenses in excess of the SUA or LUA.

- B. Verify actual utility costs.
- C. Households must provide a current utility bill on which to base the anticipation of actual utility expenses over the certification period. If a household anticipates changes in utility expenses during the certification period, request the previous year's utility bills from the same period. (See Section 213.4, "Determining Deductions" for more detailed information on the treatment of actual utility expenses.)
- D. If the household anticipates changes in the utility expense, average the utility bills from the previous period over the certification period. Allow the actual utility cost as a deduction if the household only pays one utility expense.

Example 6: Jane Johnson pays **\$150 per month rent** and **\$25 per month (flat rate)** for **electric**. She does not have a phone and all other expenses are included in her rent. Ms. Johnson is not eligible for either utility allowance because she does not pay for heat or air conditioning and does not pay for two utilities. Ms. Johnson would be eligible for an **actual utility expense of \$25 per month**.

214.5 Examples of Utility Allowance Policy

Situation: The FSP benefit household is a tenant whose apartment has a separate meter for electricity. The household has a phone. The heat is provided centrally for which the landlord is billed.

Eligibility: The household is eligible for the LUA since neither heat nor air conditioning is included in the billing to the household and the household has a phone. **(Remember the requirement to have 2 utilities.)**

Situation: The FSP benefit household's landlord charges the household \$200 rent, plus \$30 each month for utilities that include heat.

| | | |
|---|-----------------------------------|--------|
| DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION | FOOD SUPPLEMENT PROGRAM MANUAL | |
| UTILITY ALLOWANCES | Section 214 | Page 6 |

214.5 Examples of Utility Allowance Policy

Eligibility: The household is eligible for the SUA. Since the landlord bills the household for **utilities, which include heat, the household is eligible for the SUA.**

Situation: The household is a tenant and is billed directly by the electric company. The landlord who is billed by a fuel oil company provides heat centrally. The tenant has a window air conditioner that it uses extensively in the summer months.

Eligibility: The household is **eligible for the full SUA** because it is billed directly by the electric company and the cost of cooling is included in the electric.

Situation: The FSP benefit household is a tenant in a residence with two other families. The households are billed for utilities that include heat. The FSP household pays its portion of the utility expense to the household that is billed.

Eligibility: The FSP benefit household is eligible for a full SUA.

Situation: Mr. and Mrs. A. live together with their 3 children. Mr. A. is an ineligible immigrant. Mrs. A. and their children receive FSP. Mr. and Mrs. A. are both employed and share the shelter expenses. The utilities include heat.

Eligibility: The FSP household is entitled to the full SUA even though Mr. A. is not part of the FSP household and pays part of the expenses. Even if Mr. A. paid all utilities, the household would get the SUA.